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**Introduced by Senator Torlakson**

February 11, 2003

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An act to amend Section 2 of Chapter 850 of the Statutes of 2002, relating to electricity, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 159, as introduced, Torlakson. State Energy Resources Conservation and Development Commission: report: real-time pricing.

Existing law requires the State Energy Resources Conservation and Development Commission, in consultation with the Public Utilities Commission, to report to the Legislature and the Governor, by March 31, 2003, regarding the feasibility of implementing real-time, critical peak, and other dynamic pricing tariffs for electricity in California, as strategies which can either reduce peak demand or shift peak demand load to off-peak periods.

This bill, instead, would require the report to be given to the Legislature and the Governor by June 30, 2003.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 2 of Chapter 850 of the Statutes of 2002
- 2 is amended to read:
- 3 Sec. 2. (a) On or before ~~March 31~~ June 30, 2003, the State
- 4 Energy Resources Conservation and Development Commission,

1 in consultation with the Public Utilities Commission, shall report  
2 to the Legislature and the Governor regarding the feasibility of  
3 implementing real-time pricing, critical peak pricing, and other  
4 dynamic pricing tariffs for electricity in California, as strategies  
5 which can either reduce peak demand or shift peak demand load  
6 to off-peak periods.

7 (b) The report shall consider all of the following:

8 (1) How wholesale real-time prices would be calculated and  
9 made available to customers.

10 (2) Options for day-ahead and hour-ahead retail prices.

11 (3) Options for facilitating customer response to real-time and  
12 critical peak prices and managing total customer costs, including,  
13 but not limited to, interval metering and communication systems,  
14 consumer-side of the meter notification, and automatic response  
15 equipment.

16 (4) An assessment of the options for a variety of customer  
17 classes, including, but not limited to, industrial, commercial,  
18 residential, and tenants of a mobilehome park, apartment building,  
19 or similar residential complex, that receive electricity from a  
20 master-meter customer through a submetered system.

21 (5) Estimates of potential peak load reductions, including the  
22 shifting of peak load demand to off-peak periods.

23 (6) Options for incorporating demand responsiveness into the  
24 wholesale competitive market and operations of the California  
25 Independent System Operator.

26 (7) Options for ensuring customer protection under a real-time,  
27 critical peak, and other dynamic pricing scenarios, including  
28 identifying potentially disadvantaged groups who may be  
29 disproportionately vulnerable to the impact of volatile prices and  
30 suggestions for effective safeguards for those customers.

31 SEC. 2. This act is an urgency statute necessary for the  
32 immediate preservation of the public peace, health, or safety  
33 within the meaning of Article IV of the Constitution and shall go  
34 into immediate effect. The facts constituting the necessity are:

35 In order to extend the deadline for a report that is required to be  
36 given to the Legislature and the Governor by the State Energy  
37 Resources Conservation and Development Commission before

1 the report is due, it is necessary that this act take effect  
2 immediately.

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